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KARNATAKA LEGISLATIVE ASSEMBLY

NOTIFICATION

No. 4104.—L.A., Bangalore Dated 24th July 1975.

Under Rule 64 of the Rules of Procedure and Conduct of Business in the Karnataka Legislative Assembly the Speaker has been pleased to order the publication in the *Karnataka Gazette* of **The Karnataka Sales Tax (Third Amendment) Bill, 1975**, together with the Statement of Objects and Reasons relating thereto and the Bill and the Statement of Objects and Reasons are accordingly published for general information.

THE KARNATAKA SALES TAX (THIRD AMENDMENT) BILL, 1975

(L. A. Bill No. 25)

A BILL further to amend the Karnataka Sales Tax Act, 1957.

WHEREAS it is necessary and expedient further to amend the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957) for the purposes hereinafter appearing;

Be it enacted by the Karnataka State Legislature in the Twenty-sixth year of the Republic of India as follows :

1. **Short title and commencement.**—(1) This Act may be called the Karnataka Sales Tax (Third Amendment) Act, 1975.

(2) It shall be deemed to have been come into force on the Fifteenth day of July 1975.

2. **Amendment of Fourth Schedule.**—In the Fourth Schedule to the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957).—

(1) in column 4 of serial number 1, for the words "three per cent," the words "four per cent" shall be substituted;

(2) in column 4 of serial number 2, for the words "three per cent", the words "four per cent" shall be substituted; and

(3) in column 4 of serial number 4, for the words "three per cent" the words "four per cent" shall be substituted.

3. *Repeal of Karnataka Ordinance No. 6 of 1975* :—The Karnataka Sales Tax (Third Amendment) Ordinance, 1975 (Karnataka Ordinance No. 6 of 1975) is hereby repealed :

Provided that any thing done or any action taken under the principal Act as amended by the said Ordinance shall be deemed to have been done or taken under principal Act as amended by this Act.

STATEMENT OF OBJECTS AND REASONS

The Central Sales Tax Act, 1956, stipulates the maximum rate of tax leviable under the State law on the sale or purchase of 'declared' goods. The Central Sales Tax Act was amended with effect from 1st July 1975 and the maximum rate of tax leviable on 'declared' goods was enhanced from 3 per cent to 4 per cent. In view of the amendment to the Central Sales Tax Act and with a view to raising more revenues, the rate of tax on the following declared goods was raised from 3 to 4 per cent with effect from 15th July 1975.

(i) Coal
(ii) Iron and Steel
(iii) Jute

The additional revenue as a result of the enhancement will be Rs. 35 lakhs in a full year and Rs. 26 lakhs during the current financial year.

Ordinance 6 of 1975 was issued for the aforesaid reasons.

The Bill is to replace the Ordinance.

Explanatory Statement under Rule, 70 (1) of the Rules of Procedure and Conduct of Business in the Karnataka Legislative Assembly.

Consequent to the amendment to the Central Sales Tax Act, 1956 and with a view to raising more revenues it was decided to enhance the rate of tax on the following 'declared' goods with effect from 15th July 1975.

(i) Coal

(ii) Iron and steel

(iii) Jute.

As both Houses of the State Legislature were not in session, an Ordinance was promulgated on 4th July 1975 amending the Karnataka Sales Tax Act for the purpose.

M. Y. GHORPADE.

ANNEXURE

Extract from the Karnataka Sales Tax Act, 1957

(Karnataka Act, No. 25 of 1957)

* * * *

FOURTH SCHEDULE

Declared goods in respect of which a single point tax is leviable under section 5 (4)

Sl. No.	Description of the goods	Point of levy	Rate of tax
1	2	3	4
1	Coal including Coke in all its forms but excluding charcoal: Provided that during the period commencing on the 23rd day of February, 1967 and ending with the 1st day of April 1973 this entry shall have effect subject to the modification that the words 'but excluding charcoal' shall be omitted.	Sale by the first or earliest of successive dealers in the State liable to tax under this Act.	Three per cent.
2	Iron and steel, that is to say—		
	(i) pig iron and cast iron including ingot moulds, bottom plates, iron scrap, cast iron scrap, runner scrap and iron skull scrap;	Sale by the first or earliest of successive dealers in the State liable to tax under this Act.	Three per cent.
	(ii) steel semis (ingots, slabs, blooms and billets of all qualities, shapes and sizes);		
	(iii) Skelp bars, tin bars, sheet bars, hoe-bars and sleeper bars;		
	(iv) steel bars (rounds, rods squares, flats, octagons and Hexagons, plain and ribbed or twisted, in coil form as well as straight lengths);		

1	2	3	4
	(v) steel structurals (angles, joists, channels, tees, sheet piling sections, Z sections or any other rolled sections);		
	(vi) sheets, hoops, strips and skelp, both black and galvanised, hot and cold rolled, plain and corrugated, in all qualities, in straight lengths and in coil form, as rolled and in rivetted condition;		
	(vii) plates both plain and chequrred in all qualities;		
	(viii) discs, rings, forgings and steel castings;		
	(ix) tool, alloy and special steels of any of the above categories;		
	(x) steel melting scrap in all forms including steel skull, turnings and borings;		
	(xi) steel tubes, both welded and seamless, of all diameters and lengths, including tube fittings;		
	(xii) tin-plates, both hot dipped and electrolytic and tinfree plates;		
	(xiii) fish plate bars, bearing plate bars, crossing sleeper bars, fish plates, bearing plates, crossing sleepers and pressed steel sleepers, rails-heavy and light crane rails;		
	(xiv) wheels, tyres, axels and wheel sets;		
	(xv) wire rods and wires-rolled, drawn, galvanised, aluminised, tinned or coated such has by copper;		
	(xvi) defectives, rejects, cuttings or end pieces of any of the above categories.		
	* *	*	*

1	2	
4 Jute, that is to say, the fibre extracted from plants belonging to the species corchorus capsularises and corcherus olitorious and the fibre known as mesta or bimli extracted from plants of the specious hibiscus cannabinus and Hibiscus sabdariffa-Var altissima and the fibre known as Sunn or Sunnhemp extracted from plants of the species Crotalaria juncea whether baled or otherwise.	Sale by the first or earliest of successive dealers in the State liable to tax under this Act.	Three per cent.

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